RECENT DECISIONS

ADMIRALTY—CONTRACT FOR COMPLETING A VESSEL.—The incomplete hull of a vessel which had been launched by one company was towed to the plaintiff's shipyard and work done on it in midstream. A third company then completed the vessel and the plaintiff thereafter libelled it. *Held,* libel dismissed for want of jurisdiction; the contract to complete the vessel was non-maritime since the ship was incomplete and "in no condition to carry on any service." *Thames Towboat Co.* v. *The Schooner "Francis McDonald"* (1920) 41 Sup. Ct. 65.

The rule was early established in the United States that contracts for the building of vessels are not within admiralty jurisdiction. *Roach* v. *Chapman* (1859) 63 U. S. 129. This rule applies even though, as in the instant case, the work is done after the hull is launched. *The Winnebago* (1907) 205 U. S. 354, 362, 27 Sup. Ct. 509. In England, this rule was changed by statute (1861) 24 & 25 Vict. c. 10, § 4. But admiralty has jurisdiction over a contract to repair, that is, a contract to do work on a vessel which is already completed. *North. Pac. S. S. Co.* v. *Hall Bros. Co.* (1918) 249 U. S. 119, 39 Sup. Ct. 221. The vessel is completed only when it is ready for the service for which it was intended. *North Pac. S. S. Co.* v. *Hall Bros. Co.* (*semble*). A state may therefore by legislation create a lien on incomplete hulls in favor of the shipbuilder, since it does not thereby infringe upon the jurisdiction of admiralty. *The Winnebago, supra; Foster* v. *The Richard Busteed* (1868) 100 Mass. 409. But this lien created by the state will not be enforced by admiralty. The *Paradox* (D. C. 1894) 61 Fed. 860. The rule of the instant case is contrary to European maritime codes and has been severely criticized. Benedict, *Admiralty* (4th ed. 1910) § 184.

AUCTION SALES—IGNORANCE OF RESTRICTIONS—RESCISSION.—At an auction sale of the plaintiff's real estate the lots were knocked down to the defendant. The terms of the sale, and of restrictions on the property had been read by the auctioneer, but the defendant had not been present at that time. However, he wrote a check for ten per cent. of the purchase price, and signed two memoranda of sale which stated that he agreed to comply with the terms and conditions as announced at the beginning of the sale. The restrictive covenants provided that they could be waived by mutual agreement and that the grantors could sell the other lots without restrictions. Upon learning of these provisions, the defendant stopped payment on his check and refused to perform. The plaintiff sued for specific performance. *Held,* for the defendant. *Josephy et al.* v. *Golden* (Sup. Ct. 1920) 184 N. Y. Supp. 549.

A purchaser of land who knows the general nature of an incumbrance upon it, may not rescind, although its provisions be different from what he supposed. *Schnitzer* v. *Bernstein* (1907) 119 App. Div. 47, 103 N. Y. Supp. 860. However, this rule has been held not to apply to auction sales. In such a case, if the purchaser was not aware of the nature of the restrictions, he may rescind, when he discovers their exact terms, if he acts promptly, provided the covenants are unusual or unreasonable. *Sohns* v. *Beavis* (1911) 200 N. Y. 268, 93 N. E. 935. Restrictions on realty are partly for the benefit of the purchaser,—that he may be assured that he will be surrounded by suitable buildings. Therefore the clause that the grantor may sell his other lots free from restrictions, makes the covenants in the instant case unreasonable. But a purchaser at an auction in general is bound by the conditions proclaimed by the auctioneer, even if not then present, *Kennell* v. *Boyer* (1909) 144 Iowa 303, 122 N. W. 491, or if, being